

(1) in subparagraph (A), by striking "(A)" and
(2) by striking subparagraphs (B) through (D);
(3) in paragraph (4) in the matter preceding subparagraph (A), by striking "of any requirement relating to" and inserting "that increases Federal costs or that relates to":
(4) by striking subparagraph (D);
(5) by redesignating subparagraphs (E) through (N) as subparagraphs (D) through (M), respectively; and
(6) in subparagraph (1), as redesignated by subparagraph (C), by striking "and" at the end and inserting "or"; and
(4) in paragraph (6)—
 (A) by striking "(A)(i)" and all that follows through "(B)" and
 (B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

SEC. 706. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—
 (A) in the first sentence, by striking "initiate, maintain, and expand" and inserting "initiate and maintain"; and
 (B) in subparagraph (E) of the second sentence, by striking "the Trust Territory of the Pacific Islands" and
(2) in paragraph (7)(A), by striking "Except as provided in subparagraph (C), private" and inserting "Private".

(b) SERVICE INSTITUTIONS.—Section 13(b) of the National School Lunch Act (42 U.S.C. 1761(b)) is amended by striking "(b)(1)" and all that follows through the end of paragraph (1) and inserting the following:

"(b) SERVICE INSTITUTIONS.—

"(1) PAYMENTS.—
 "(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

 "(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

 "(i) \$1.97 for each lunch and supper served;
 (ii) \$1.13 for each breakfast served; and
 (iii) 46 cents for each meal supplement served.

 "(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted on January 1, 1997, and each January 1 thereafter, to the nearest lower cent increment, to reflect changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period."